



Financial Management Report as of June 30, 2013

AT A GLANCE:

The City of Kirkland wins an energy efficiency grant to improve City buildings (page 2 sidebar)

2013 revenues through June increased over 2012 (page 3)

Sales tax revenue increased again in the second quarter (page 5)

The economy continues to recover and the housing market is heating up (pages 7-8)

Inside this issue:

Expenditure Summary	2
General Fund Revenue	3
General Fund Expenditures	4
Sales Tax Revenue	5
Economic Environment	7
Investment Report	8
Reserve Summary	10

Summary of All Operating Funds: *Revenue*

- **General Fund** actual 2013 revenue ended the second quarter **5.6 percent ahead** of the same period last year, an increase of nearly \$2.15 million. Increased revenues have been driven by improved sales tax receipts and significantly more development services fees coming from building activities. The general fund revenues are at **52.8 percent of budget**. A more detailed analysis of General Fund revenue can be found on page 3, and details on sales tax revenue begin on page 5.
- **Other General Government Funds** actual 2013 revenue is **37 percent higher** than it was through the same period in 2012, up over \$3.2 million. Nearly every fund had increased revenues, the only decrease was in cemetery operating revenues. The large growth in revenues over 2012 can be attributed to new levy revenues in 2013 from the 2012 Parks and Streets levies and an adjusted appropriation of funds to Parks Maintenance. These funds have collected **50.9 percent** of budget so far this year.

There were internal accounting changes for revenues of Water/Sewer, Surface Water, and Solid Waste utilities that contributed to the increases in revenues when comparing 2013 to 2012, however, there was no net increase to the ratepayer due to the change.

- The **Water/Sewer Operating Fund** actual 2013 revenue is **up 15 percent** over the same period last year due to an accounting change and rate increases; **45.9 percent of budget** has been collected thus far in 2013. This is slightly low because of seasonal variations.
- **Surface Water Management Fund** has received **54.2 percent of budgeted revenues**. Surface water charges are paid with property taxes which are primarily received in April and October. This year's revenues thus far are **10 percent higher** than they were at the end of June 2012, consistent with the budget.
- **Solid Waste Fund** actual 2013 revenue is **10.7 percent ahead** compared to the same period last year. This fund has received **48.3 percent of budget** as of the end of June. Rate increases and an accounting system change factored into this growth.

Resources by Fund	Year-to-Date Actual			Budget			% of Budget	
	6/30/2012	6/30/2013	% Change	2012	2013	% Change	2012	2013
General Gov't Operating:								
General Fund	38,376,082	40,525,398	5.6%	76,161,634	76,759,959	0.8%	50.4%	52.8%
Other General Gov't Operating Funds	8,711,006	11,935,623	37.0%	18,954,113	23,431,652	23.6%	46.0%	50.9%
Total General Gov't Operating	47,087,088	52,461,021	11.4%	95,115,747	100,191,611	5.3%	49.5%	52.4%
Utilities:								
Water/Sewer Operating Fund	9,499,936	10,926,086	15.0%	20,540,187	23,794,608	15.8%	46.3%	45.9%
Surface Water Management Fund	4,541,623	4,996,789	10.0%	8,391,990	9,224,823	9.9%	54.1%	54.2%
Solid Waste Fund	6,321,185	6,998,847	10.7%	13,228,950	14,495,498	9.6%	47.8%	48.3%
Total Utilities	20,362,744	22,921,722	12.6%	42,161,127	47,514,929	12.7%	48.3%	48.2%
Total All Operating Funds	67,449,832	75,382,743	11.8%	137,276,874	147,706,540	7.6%	49.1%	51.0%



Kirkland Wins State Grant for Conservation Improvements

Kirkland's government buildings will be receiving a "green" overhaul as the City is the recipient of an energy efficiency grant from the State of Washington Department of Commerce. Improvements to city-owned buildings will be made within the next 12 months which will bring costs savings, power use reduction, and less carbon dioxide emissions in future years. Planned improvements include: new water fixtures, LED lighting, window upgrades, and more efficient heating systems.

The Kirkland City Council formally accepted the \$208,000 grant on August 6th, 2013. The 2012 Energy Efficiency Grants for Higher Education and Local Governments program awarded a total of approximately \$37 million to 29 higher education institutions and 56 local governments.

The cost of Kirkland's energy efficiency building improvements will total approximately \$847,000 which will be off-set in part by the \$208,000 grant and a PSE utility incentive estimated at \$51,840. Additional funding will come from the City's Facilities Sinking Fund Reserves, which will be reimbursed over time by the estimated energy, water and sewer savings of at least \$47,000 per year.

Kirkland is committed to being a sustainable community. For more information about the City's sustainability programs, visit www.kirklandwa.gov/kirklandgreen.

Summary of All Operating Funds: *Expenditures*

- **General Fund** actual expenditures finished June **down 2.4 percent** from last year. Expenditures are at **47 percent of budget** halfway through the year. A more detailed analysis of General Fund expenditures by department is found on page 4.
- **Other Operating Funds** actual expenditures were up **4.1 percent** due to rising expenditures for parks maintenance, facilities maintenance, equipment rental, street operating, cemetery operating, and operations paid for by the new parks levy. These particular increases totaled over \$700,000 but were partially offset by savings of \$370,000 in information technology and lodging tax expenditures. The overall increase in other operating funds was nearly \$350,000 and most of this is directly from the new 2012 Parks Levy funded maintenance operations which have totaled nearly \$285,000 so far this year and are a completely new expenditure funded solely by dedicated levy revenues. This rise in expenses was anticipated in the budget, and the other operating funds have kept expenditures **lower than budget at 38.4 percent**.

Expenditures in the Water/Sewer, Surface Water, and Solid Waste utility funds have increased mostly due to the internal accounting change, with the taxes now flowing through the utility fund. This results in an expenditure in the utilities as the funds are moved to the general fund, offset by tax revenues appearing in the utilities, resulting in zero net effect to ratepayers.

- **Water/Sewer Operating Fund** actual expenditures finished the second quarter **17.8 percent higher** than they did in the first half of 2012, and they were **on budget at 50.5 percent**. The majority of this increase is due to the accounting change, which has amounted to more than \$1.15 million of new flow-through expenditures from this fund.
- **Surface Water Management Fund** actual expenditures at the end of the second quarter were **2.9 percent higher** than last year. These expenditures have increased due to the accounting change for utility taxes. This growth was anticipated and is reflected in the budget. Expenditures through June are at **24 percent of budget**.
- **Solid Waste Fund** expenditures are **20.5 percent more** so far in 2013 than in 2012, also due to the accounting change and the timing of payments in 2012. With **44.1 percent of budget spent**, expenses have been below budget expectations.

Expenditures by Fund	Year-to-Date Actual			Budget			% of Budget	
	6/30/2012	6/30/2013	% Change	2012	2013	% Change	2012	2013
General Gov't Operating:								
General Fund	32,955,754	32,172,687	-2.4%	71,325,758	68,489,943	-4.0%	46.2%	47.0%
Other General Gov't Operating Funds	8,012,782	8,344,041	4.1%	18,708,834	21,738,761	16.2%	42.8%	38.4%
Total General Gov't Operating	40,968,536	40,516,728	-1.1%	90,034,592	90,228,704	0.2%	45.5%	44.9%
Utilities:								
Water/Sewer Operating Fund	8,624,995	10,162,874	17.8%	17,325,319	20,117,990	16.1%	49.8%	50.5%
Surface Water Management Fund	2,130,748	2,193,080	2.9%	5,495,211	9,130,092	66.1%	38.8%	24.0%
Solid Waste Fund	5,580,985	6,722,389	20.5%	13,135,052	15,248,789	16.1%	42.5%	44.1%
Total Utilities	16,336,728	19,078,343	16.8%	35,955,582	44,496,871	23.8%	45.4%	42.9%
Total All Operating Funds	57,305,264	59,595,071	4.0%	125,990,174	134,725,575	6.9%	45.5%	44.2%

General Fund Revenue

- **Sales tax** revenue allocated to the General Fund is **17.5 percent higher** than it was last year. This is **ahead of budget**, which is based on prior year estimates, with **54.8 percent of budget** collected thus far. A detailed analysis of total sales tax revenue can be found starting on page 5.
- **Property tax** is at **52.2 percent of budget**, this is slightly ahead of last year in dollar terms with **0.7 percent more** collected through the second quarter. Property tax is mostly collected semiannually in April and October.
- **Utility tax** collections are **above budget at 52.2 percent**. Revenues are **up 2.5 percent** compared to the second quarter of 2012 in spite of lower electricity and gas utility revenues. This revenue growth was due to moderately higher revenues across the board in all other city utilities.
- **Other taxes** actual revenue is **4.0 percent lower** than the same period in 2012 due to drops in revenue from the admissions tax and the leasehold excise tax. This category is at **48 percent of budget**.
- The **business licenses (base fee) and franchise fees** have collected **0.7 percent more** than they did at this point last year and are **above budget at 51.9 percent**.
- The **revenue generating regulatory license fee** has brought in **4.5 percent more** than it did in 2012. These revenues are coming in above budget at **58.6 percent of budget**. This tax is charged to employers on a per-employee basis, and it can fluctuate based on the timing of when businesses submit their payments.
- The **development-related fee** revenues are collectively **up 23.2 percent** and are ahead at **76.9 percent** of their budgeted revenue. **Plan check fees** are **up 51.8 percent**. **Building, Structural & Equipment permits** are **up 39.6 percent** over last year. **Planning fees** revenue has **dropped 7.8 percent**. **Engineering services** has collected **4.7 percent less** than last year. While some categories have dropped off compared to 2012, the increased revenues indicate that building and development is increasing in the City overall. Note that a portion of this additional revenue is for work to be done in subsequent years and will be set aside in reserve for that purpose.
- **Fines and Forfeitures** are **up 36.4 percent** due to the increase of parking and traffic fines being collected. Parking fines have increased because the city has filled the formerly vacant parking enforcement officer position. This revenue source is slightly **below budget at 49.9 percent**.
- The **other financing sources** category in 2012 reflected the one-time asset transfer from Woodinville Fire & Rescue. Budgeted interfund transfers were decreased in 2013, but no actuals have posted so far this year.

Other Intergovernmental Services were consolidated into Other Charges for Services as part of a Statewide accounting change.

General Fund 2013 revenues ended the first quarter \$1,865,966 higher than the same period last year largely due to growth in sales tax, property tax, and permits and fees.

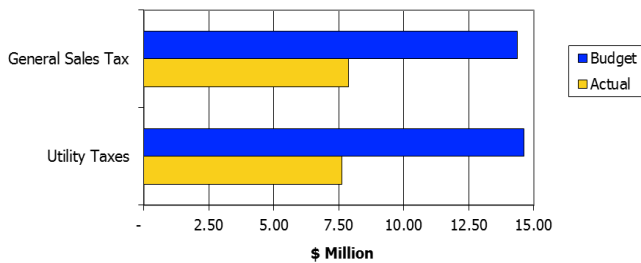
The General Fund is the largest of the General Government Operating funds. It is primarily tax supported and accounts for basic services such as public safety, parks and recreation, and community development.

- **Many significant General Fund revenue sources are economically sensitive, such as sales tax and development-related fees.**
- **In 2013 about 424 of the City's 544 regular employees are budgeted within the general fund.**

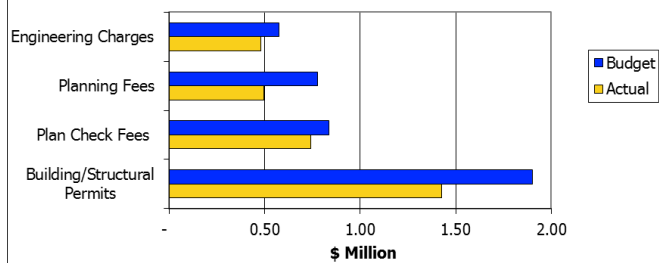
General Fund Resource Category	Year-to-Date Actual			Budget			% of Budget	
	6/30/2012	6/30/2013	% Change	2012	2013	% Change	2012	2013
Taxes:								
Retail Sales Tax: General	6,704,810	7,875,995	17.5%	13,972,010	14,368,962	2.8%	48.0%	54.8%
Retail Sales Tax Credit: Annexation	1,657,761	1,754,329	5.8%	3,409,791	3,415,626	0.2%	48.6%	51.4%
Retail Sales Tax: Criminal Justice	793,195	865,714	9.1%	1,568,112	1,634,287	4.2%	50.6%	53.0%
Property Tax	8,613,087	8,675,613	0.7%	16,049,865	16,619,200	3.5%	53.7%	52.2%
Utility Taxes	7,439,785	7,624,293	2.5%	14,468,333	14,618,866	1.0%	51.4%	52.2%
Rev Generating Regulatory License	1,304,106	1,363,264	4.5%	2,386,300	2,328,005	-2.4%	54.6%	58.6%
Other Taxes	532,566	511,173	-4.0%	1,005,488	1,063,975	5.8%	53.0%	48.0%
Total Taxes	27,045,311	28,670,380	6.0%	52,859,899	54,048,921	2.2%	51.2%	53.0%
Licenses & Permits:								
Building, Structural & Equipment Permits	1,021,795	1,426,647	39.6%	2,343,612	1,900,182	-18.9%	43.6%	75.1%
Business Licenses/Franchise Fees	2,162,299	2,177,511	0.7%	4,109,869	4,193,597	2.0%	52.6%	51.9%
Other Licenses & Permits	144,861	258,721	78.6%	217,579	317,128	45.8%	66.6%	81.6%
Total Licenses & Permits	3,328,955	3,862,880	16.0%	6,671,060	6,410,907	-3.9%	49.9%	60.3%
Intergovernmental:								
Grants and Federal Entitlements	220,883	17,720	-92.0%	137,835	98,974	-28.2%	160.3%	17.9%
State Shared Revenues & Entitlements	753,930	479,162	-36.4%	909,967	1,033,781	13.6%	82.9%	46.4%
EMS	-	-	N/A	866,729	884,645	2.1%	N/A	N/A
Other Intergovernmental Services	52,914	-	N/A	186,597	-	N/A	28.4%	N/A
Total Intergovernmental	1,027,727	496,882	-51.7%	2,101,128	2,017,400	-4.0%	48.9%	24.6%
Charges for Services:								
Internal Charges	2,674,049	2,665,088	-0.3%	5,894,286	5,208,912	-11.6%	45.4%	51.2%
Engineering Services	503,329	479,785	-4.7%	555,852	574,093	3.3%	90.6%	83.6%
Plan Check Fee	487,986	740,923	51.8%	814,484	836,864	2.7%	59.9%	88.5%
Planning Fees	536,283	494,608	-7.8%	544,619	776,347	42.5%	98.5%	63.7%
Recreation	698,960	760,811	8.8%	1,152,963	1,160,300	0.6%	60.6%	65.6%
Other Charges for Services	866,934	1,044,246	20.5%	2,187,273	3,075,552	40.6%	39.6%	34.0%
Total Charges for Services	5,767,541	6,185,462	7.2%	11,149,477	11,632,068	4.3%	51.7%	53.2%
Fines & Forfeits	698,542	953,005	36.4%	2,781,169	1,907,925	-31.4%	25.1%	49.9%
Miscellaneous	508,007	356,789	-29.8%	598,901	742,738	24.0%	84.8%	48.0%
Total Revenues	38,376,082	40,525,398	5.6%	76,161,634	76,759,959	0.8%	50.4%	52.8%
Other Financing Sources:								
Transfer of FD 41 & WFR Balances	-	-	N/A	1,426,568	-	N/A	N/A	N/A
Interfund Transfers	-	99,780	N/A	153,560	359,228	N/A	N/A	27.8%
Total Other Financing Sources	-	99,780	N/A	1,580,128	359,228	N/A	N/A	27.8%
Total Resources	38,376,082	40,625,178	5.9%	77,741,762	77,119,187	-0.8%	49.4%	52.7%

General Fund Revenue *continued*

2013 Budget to Actual Comparison of Selected Taxes



2013 Budget to Actual Comparison of Development Related Fees



General Fund Expenditures

General Fund Department Expenditures	Year-to-Date Actual			Budget			% of Budget	
	6/30/2012	6/30/2013	% Change	2012	2013	% Change	2012	2013
Non-Departmental	363,822	437,727	20.3%	1,043,302	1,205,748	15.6%	34.9%	36.3%
City Council	215,482	260,778	21.0%	456,349	399,954	-12.4%	47.2%	65.2%
City Manager's Office	828,619	873,968	5.5%	1,816,949	2,052,328	13.0%	45.6%	42.6%
Municipal Court	966,029	1,041,851	7.8%	2,590,750	2,214,539	-14.5%	37.3%	47.0%
Human Resources	619,878	614,844	-0.8%	1,253,506	1,269,463	1.3%	49.5%	48.4%
City Attorney's Office	649,033	665,205	2.5%	1,353,373	1,359,564	0.5%	48.0%	48.9%
Parks & Community Services	3,358,198	3,239,310	-3.5%	7,240,009	7,305,097	0.9%	46.4%	44.3%
Public Works (Engineering)	1,714,025	2,015,492	17.6%	3,932,111	4,632,454	17.8%	43.6%	43.5%
Finance and Administration	2,003,138	2,026,250	1.2%	4,567,770	4,094,630	-10.4%	43.9%	49.5%
Planning & Community Development	1,498,973	1,586,159	5.8%	3,366,041	3,539,445	5.2%	44.5%	44.8%
Police	10,729,588	9,319,789	-13.1%	23,507,119	19,782,622	-15.8%	45.6%	47.1%
Fire & Building	10,008,969	10,091,313	0.8%	20,198,479	20,634,099	2.2%	49.6%	48.9%
Total Expenditures	32,955,754	32,172,687	-2.4%	71,325,758	68,489,943	-4.0%	46.2%	47.0%
Other Financing Uses:								
Interfund Transfers	1,280,938	3,933,032	207.0%	5,299,118	12,321,476	132.5%	24.2%	31.9%
Total Other Financing Uses	1,280,938	3,933,032	207.0%	5,299,118	12,321,476	132.5%	24.2%	31.9%
Total Expenditures & Other Uses	34,236,692	36,105,719	5.5%	76,624,876	80,811,419	5.5%	44.7%	44.7%

Comparing 2013 actual expenditures to the same period last year:

Overall, excluding interfund transfers, General Fund expenditures are **2.4 percent lower** than 2012 and are under budget for the year. So far in 2013 the City has spent **47 percent** of total budgeted expenses. The table above illustrates that most increases have been small to moderate and they were offset mostly by decreases in spending by the Police Department along with Parks & Community Services and Human Resources.

- Expenditures for **Non-departmental** are **up 20.3 percent** largely due to an increase in medical benefit costs for LEOFF 1 retirees. This was budgeted for and spending is **below budget at 36.3 percent**.
- Actual 2013 expenditures for the **City Council** have **grown 21 percent** at this point in the year because annual memberships were paid at the beginning of the year, which also made expenditures through the second quarter at **65.2 percent of budget**.
- The **City Manager's Office** costs are **up 5.5 percent** compared to 2012 due to increased salaries and benefit expenses. These expenses are below planned spending at **42.6 percent of budget**.
- The **Municipal Court** actuals are **up 7.8 percent** due to increased personnel costs, but are below projections at **47 percent of budget**.
- Actual 2013 expenditures for **Human Resources** are **down 0.8 percent** versus last year and the department is at **48.4 percent of budget**.
- The **City Attorney's Office** expenditures are **up 2.5 percent** above 2012 due to small increases in salaries and wages, along with increased payments for contracted legal services. This is in line with projections at **48.9 percent of budget**.
- First quarter 2013 expenditures for the **Parks & Community Services Department** are **down 3.5 percent** compared to the same period last year. This is due to seasonal variations in salaries, wages and benefits, along with the cost for supplies. Expenses were below expectations at **44.3 percent of budget**.

2013 General Fund actual expenditures (excluding "other financing sources") are 5.7 percent higher than they were in 2012.

Continued on page 5

Financial Management Report as of June 30, 2013

- **Public Works** expenditures are at **43.5 percent of budget**. In dollar terms, spending has been **17.6 percent higher** than the second quarter of 2012 due to growth in wages, salaries, and benefits as new employees have been hired to accommodate post-annexation community needs.
- The **Finance and Administration Department** expenditures are at **49.5 percent of budget, rising 1.2 percent** in dollar terms versus last year due to increases in spending on salaries, wages and benefits.
- Actual second quarter expenditures for the **Planning and Community Development Department** finished up **5.8 percent** over last year because of increased personnel costs due to filling positions that were empty in 2012 and the high number of permit applications that are driving larger workloads and overtime; **44.8 percent of their annual budget** has been used thus far.
- The **Police Department** has spent **13.1 percent less** than it had at this point last year. Spending is at **47.1 percent of budget** so far this year. Jail costs continue to be under budget due to contracts with other agencies for lower rates than those charged by King County and an increase in the use of electronic home detention and other sentencing measures as alternatives to jail time.
- Expenditures for the **Fire & Building Department** grew **0.8 percent** over last year. As with the other general fund departments, this increase is related to slightly higher personnel costs and is within projections at **48.9 percent of budget**.

Summary of Fire District 41 Funds	
2013 Revenues & Expenditures	
Beginning Balance	5,224,166
Investment Interest	1,309
Expenditures:	-
Current Balance	5,225,475

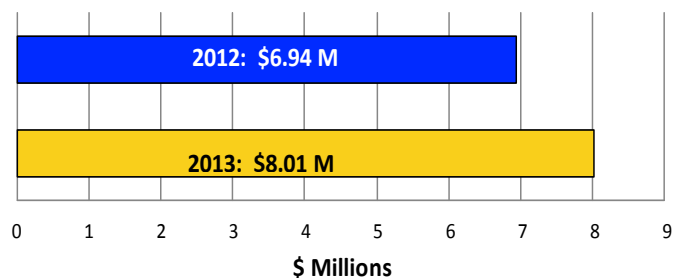
Sales Tax Revenue Analysis

Year-to-date revenue is **up 15.4 percent** compared to the same period last year. Sales tax revenue from the service, contracting, and retail sectors has increased substantially, with positive growth in all major sectors. The sales tax revenue received through the second quarter is from November 2012 – April 2013 sales.

Review by business sectors:

- **Contracting is up 25.9 percent** over the same period in 2012. This is the result of several large projects commercial and multi-family projects along with growth in residential construction.
- Sales tax from the retail sectors is collectively **up 10.7 percent** compared to 2012.
- The **auto/gas retail** sector is **up 15.6 percent** compared to last year due to positive performance by all of the dealerships in town, the addition of one new dealership and a general national trend of increased car buying driven by pent-up demand.
- The **general merchandise/miscellaneous retail** sector is **up 9.3 percent** compared to 2012 largely due to positive performance by two key retailers.
- The **retail eating/drinking** sector performance is **up 6.6 percent** versus last year. Revenue increases can be attributed to many established restaurants posting improved sales along with the opening of several new restaurants late last year.
- **Other retail** is **up 6.1 percent** compared to last year due to positive performance in most categories with the exception of food and beverage stores. Food and beverage stores may be facing increased competition with other retailers that offer similar products and selection.
- The **services** sector is **up 39.1 percent** compared to 2012. This increase can be attributed to growth from publishing, information, internet, broadcasting, arts & entertainment, and healthcare sectors. This raw gain is skewed upward because of a large sales tax refund that was paid out to a business in May 2012; however, even if that amount is factored out, the services sector is still up 21.8 percent over last year.
- **Wholesale** is **up 5.9 percent** compared to last year. Strong gains from the first quarter were offset by slower growth in the second quarter.
- The **miscellaneous** sector is **up 11 percent** compared to last year due to higher revenues from the manufacturing, finance, and utilities categories.

Sales Tax Receipts Through June 2012 and 2013



Neighboring Cities Sales Tax

Bellevue was up 5.9 percent and Redmond was down 2.2 percent through June compared to the same period in 2012. Redmond's decrease is skewed due to a tax recovery in 2012.

King County Sales Tax

King County's sales tax receipts are 7.9 percent higher than they were through the second quarter of 2012.

City of Kirkland Actual Annual Sales Tax Receipts

Business Sector Group	January-June		Dollar Change	Percent Change	Percent of Total	
	2012	2013			2012	2013
Services	734,957	1,022,241	287,284	39.1%	10.6%	12.8%
Contracting	1,019,891	1,283,658	263,767	25.9%	14.7%	16.0%
Communications	218,558	221,736	3,178	1.5%	3.1%	2.8%
Auto/Gas Retail	1,735,749	2,005,680	269,931	15.6%	25.0%	25.0%
Gen Merch/Misc Retail	908,078	992,827	84,749	9.3%	13.1%	12.4%
Retail Eating/Drinking	602,008	641,604	39,596	6.6%	8.7%	8.0%
Other Retail	976,041	1,035,250	59,209	6.1%	14.1%	12.9%
Wholesale	363,601	385,155	21,554	5.9%	5.2%	4.8%
Miscellaneous	380,927	422,843	41,916	11.0%	5.5%	5.3%
Total	6,939,810	8,010,994	1,071,184	15.4%	100.0%	100.0%

Kirkland's sales tax base is comprised of a variety of businesses which are grouped and analyzed by business sector (according to NAICS, or "North American Industry Classification System"). Nine business sector groupings are used to compare 2012 and 2013 year-to-date sales tax receipts in the table to the left.

City of Kirkland Actual Monthly Sales Tax Receipts

Month	Sales Tax Receipts		Dollar Change	Percent Change
	2012	2013		
January	1,104,023	1,333,113	229,090	20.8%
February	1,413,587	1,618,028	204,441	14.5%
March	1,054,686	1,225,511	170,825	16.2%
April	1,086,848	1,181,984	95,136	8.8%
May	1,132,774	1,387,795	255,021	22.5%
June	1,147,892	1,264,563	116,671	10.2%
Total	6,939,810	8,010,994	1,071,184	15.4%

When analyzing monthly sales tax receipts, there are two items of special note: First, most businesses remit their sales tax collections to the Washington State Department of Revenue on a monthly basis. Small businesses only have to remit their sales tax collections either quarterly or annually, which can create anomalies when comparing the same month between two years. Second, for those businesses which remit sales tax monthly, there is a two month lag from the time that sales tax is collected to the time it is distributed to the City. For example, sales tax received by the City in March is for sales activity in January. Monthly sales tax receipts through June 2012 and 2013 are compared in the table above.

- Monthly sales tax revenues have maintained a rising trend through the second quarter of 2013, with gains over the same months in 2012 averaging in the mid teens.
- May revenues improved 22.5 percent over last year on the strength of services, auto retail, retail eating/drinking and general retail. This figure is skewed because of a sales tax refund that was issued by the department of revenue in May 2012.
- June extended the upward trend in sales tax revenues, with a jump of 10.2 percent over June 2012, with the primary drivers of growth coming from services, auto retail, retail eating/drinking and contracting, continuing the comeback of economically sensitive sectors as they recover from the recession.
- The surge in sales from contracting, auto retail, and service businesses has driven the City's sales tax revenues near pre-recession levels. Much of this growth is often attributed to "pent-up demand" for durable goods such as cars, and consumers appear to feel confident enough in the economy to make these major purchases. This situation has led to a boom in sales that can be expected to taper off slightly since major purchases for housing and durable goods are infrequent for most consumers.

Kirkland's sales tax base is further broken down by business district (according to geographic area), as well as "unassigned or no district" for small businesses and businesses with no physical presence in Kirkland.

Comparing to the same period last year:

Totem Lake, which accounts for about 30 percent of the total sales tax receipts, was **up 10.5 percent** due to the continued sales growth in the automotive/gas retail sector and improvements in

most retail categories. Sixty two percent of this business district's revenue comes from the auto/gas retail sector.

NE 85th Street, which accounts for 14 percent of the total sales tax receipts, was **down 20.7 percent** due to a sizable drop in sales tax from a major retailer and auto dealers.

Downtown, which accounts for more than 6 percent of the total sales tax receipts, was **up 53.8 percent** largely due to the return of information services revenues (which were low in 2012 because of a one-time taxpayer refund that reduced the City's receipts).

Carillon Point & Yarrow Bay, which account for about 2 percent of the total sales tax receipts, were **down 0.8 percent** compared to last year. About 61 percent of this business district's revenue comes from retail eating/drinking and accommodations.

Houghton & Bridle Trails, which account for about 2.5 percent of the total sales tax receipts, were **down 10.4 percent** due to a

drop in revenues from a retailer and eating/drinking establishments.

Juanita, which accounts for 1.6 percent of the total sales tax receipts was **down 5.5 percent**. This neighborhood saw decreases in revenue in all categories with the exception of sporting goods/hobby/miscellaneous retail, and eating/drinking establishments, where revenues stayed flat.

North Juanita, Kingsgate, & Finn Hill account for more than 3 percent of the total sales tax receipts and were **up 2.3 percent** over 2012. Much of this growth came from the personal services, healthcare, and apparel and general merchandise sectors.

Sales taxes in our **Unassigned or No District** category are made up of businesses that are based in Kirkland but generate their revenues in a diffuse way, for example a building contractor based in Kirkland may have construction projects across the Puget Sound, or an online retailer fills orders from customers outside of Kirkland. Unassigned businesses have seen significant growth this year, **up 25.9 percent** for contractors and **up 55.7 percent** for "other". These businesses tend to be economically sensitive and any increase in revenues in this category is linked to the healthier state of 2013's economy.

Year-to-date sales tax receipts by business district for 2012 and 2013 are compared in the table on the next page.

When reviewing sales tax receipts by business district, it's important to be aware that 45.7 percent of the revenue received so far in 2013 is in the "unassigned or no district" category largely due to contracting and other revenue, which includes revenue from internet, catalog sales and other businesses located outside of the City.

City of Kirkland Sales Tax by Business District

Business District	Jan - June Receipts		Dollar Change	Percent Change	Percent of Total	
	2012	2013			2012	2013
Totem Lake	2,152,630	2,378,413	225,783	10.5%	31.0%	29.7%
NE 85th St	1,396,083	1,107,125	(288,958)	-20.7%	20.1%	13.8%
Downtown	335,037	515,453	180,416	53.8%	4.8%	6.4%
Carillon Pt/Yarrow Bay	153,265	152,112	(1,153)	-0.8%	2.2%	1.9%
Houghton & Bridle Trails	220,606	197,718	(22,888)	-10.4%	3.2%	2.5%
Juanita	131,763	124,510	(7,253)	-5.5%	1.9%	1.6%
Kingsgate	88,515	88,281	(234)	-0.3%	1.3%	1.1%
North Juanita	110,905	114,895	3,990	3.6%	1.6%	1.4%
Finn Hill	47,066	48,980	1,914	4.1%	0.7%	0.6%
Unassigned or No District:						
Contracting	1,018,764	1,282,495	263,731	25.9%	14.7%	16.0%
Other	1,285,176	2,001,012	715,836	55.7%	24.0%	29.7%
Total	6,939,810	8,010,994	1,071,184	15.4%	100.0%	100.0%

Sales Tax Revenue Outlook Sales tax receipts for the second quarter of 2013 continued the upward trend in revenues for the City, but at a slower pace than in the first quarter. Big ticket items such as auto purchases and contracting services continue to drive this growth. The contracting and automotive/gas retail sectors have contributed 49.82 percent of 2013's overall sales tax gains compared 2012. All other major sectors in the City have experienced growth compared to the second quarter of 2012, with increases of 39.1 percent for services, 11 percent for miscellaneous, and 9.3 percent in general merchandise/miscellaneous retail. Total sales tax receipts finished the second quarter up 15.4 percent above the same time period in 2012, this rate of growth was slower than Kirkland experienced in the first quarter this year (16.9 percent higher than first quarter 2012).

OFFICE VACANCIES:

According to CB Richard Ellis Real Estate Services, the Eastside office vacancy rate rose from 13.8 percent in the second quarter of 2012 to 14.7 percent in the second quarter of 2013. However, the Eastside is still the second strongest office market in the Puget Sound region, following only Downtown Seattle. Kirkland's vacancy rate was 7.6 percent, much lower than the Puget Sound average, but higher than the 7.1 percent vacancy rate in the second quarter of 2012.

Occupancy rates have gone down, but much of this trend is linked to new construction and higher rent prices for office space.

The region currently has 1,179,947 SF of office space under construction, including large projects on the Eastside and the continued expansion of Amazon near their current South Lake Union headquarters.

LODGING TAX REVENUE:

Lodging tax revenue grew compared to the second quarter of 2012, finishing the second quarter of 2013 up 4.95 percent, an increase of \$4,400.

Economic Environment Update The Washington State economy is on track to continue expanding at a moderate pace according to the June 2013 report from the Washington State Economic and Revenue Forecast Council. The forecast has not changed significantly from the first quarter, with the economy in Washington State expected to outperform the national economy by a narrow margin throughout 2013. Locally, the aerospace industry has declined at a faster pace than was forecast, but the housing market recovery has accelerated with housing starts increasing and prices rising. Consumer spending and sales tax revenues to the state are forecast to maintain their rising trend. This is in spite of the uncertainty surrounding federal fiscal policy, namely the sequester and debt ceiling, which has remained a drag on the economy. Federal monetary policy has continued to keep interest rates relatively low to offset the negative effects of the sequester. The European debt crisis does continue to pose a threat to the global economy, causing a slowdown in Asian markets and threatening one in the US.

Consumer confidence has continued to improve, with the Conference Board's Consumer Confidence Index rising from May's score of 74.3 to 81.4 in June, its highest level since January 2008. This is due to improved consumer optimism rooted in a positive outlook on business conditions and the labor market. According to The Conference Board "Expectations have improved considerably over the past several months, suggesting that the pace of growth is unlikely to slow in the short term, and may even moderately pick up."

King County's **unemployment rate** was **5.2 percent** in June 2013 compared to 7.2 percent in June 2012. US unemployment for June 2013 was 7.8 percent, while Washington State reported a 7.0 percent unemployment rate. These rates are down from 8.4 percent nationally and 8.3 percent in Washington in June 2012. The unemployment rate in Kirkland was lower than the County, State and Nation with the unemployment rate at 4.3 percent in June 2013, down from 6.2 percent in June 2012.

The Western Washington Purchasing Manager Index indicated continued growth in economic activity in June 2013. The index was at 59.0, down 3 points from March but up 8.2 points from

(Continued on page 8)

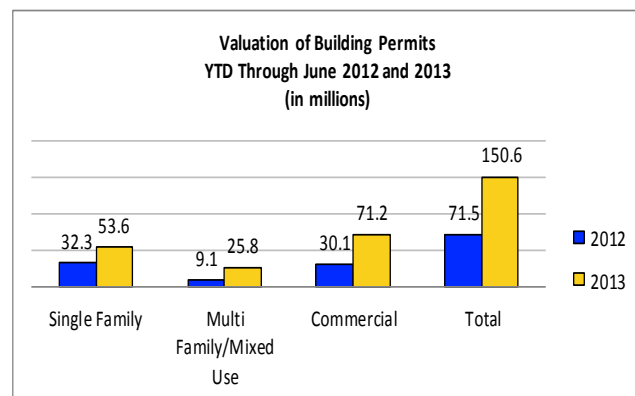
Economic Environment Update *continued*

May following slowing growth in the spring. Index numbers less than 50 indicate a shrinking economy, while those over 50 signal an expanding economy.

Local **development activity** in terms of the valuation of City of Kirkland building permits through June has risen from 2012 to 2013. This is illustrated in the chart to the right. Development activity has increased across the board, with the largest increase in dollar terms coming from commercial building permits and the largest increase by percentage coming from multi-family/mixed use permits. This growth has mostly been in the second quarter. Single family building permits have experienced strong growth and still make up over one third of the City's total building permit revenues.

Closed sales of **new and existing single-family homes** on the Eastside were up 17.1 percent in the second quarter of 2013 over last year. The median price of a single family home also increased from \$517,000 in June 2012 to \$575,000 in June 2013. Closed sales of houses across King County were up 18.4 percent, with median prices increasing from \$378,000 to \$430,000. Closed sales of condos on the Eastside increased 20.8 percent between June 2012 and June 2013. The median price of a condo on the Eastside rose from \$230,000 to \$285,000 during this time. Across King County the median price of a condo was \$255,000 in June 2013, a 30.94 percent increase from June 2012.

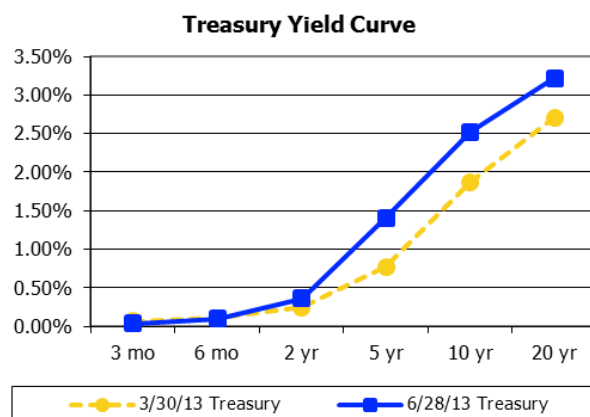
Seattle metro consumer price index (CPI) is calculated bi-monthly and the most recent index from June 2013 was 1.2 percent, and the first half of 2013 averaged 1.4 percent. This is a lower inflation rate than the CPI in 2012, which rose 2.5 percent. The national CPI was 1.4 percent at the end of the first half in 2013, the lowest level since July 2012 and lower than the 2.1 percent average for 2012. Seattle's inflation has been in line with national trends so far this year.



Investment Report

MARKET OVERVIEW

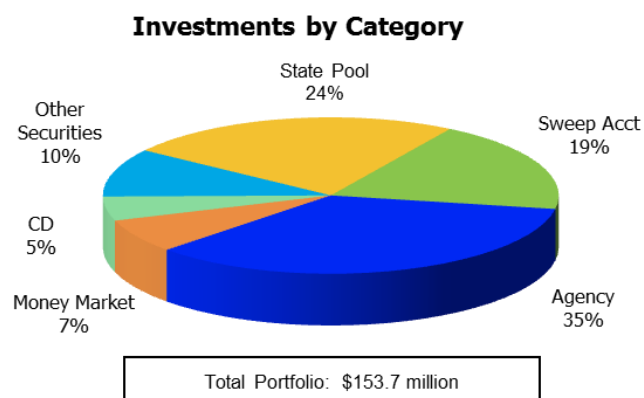
The Fed Funds rate remained at 0.25 percent during the second quarter of 2013. There are indications of slow but steady improvement in the economic recovery. The yield curve rose on the long end of the curve by more than 50 basis points (one half percent) while the short term rates fell slightly and the 3 month Treasury bills approached a rate of zero percent.



CITY PORTFOLIO

The primary objectives for the City of Kirkland's investment activities are: legality, safety, liquidity and yield. Additionally, the City diversifies its investments according to established maximum allowable exposure limits so that reliance on any one issuer will not place an undue financial burden on the City.

The City's portfolio increased in the second quarter of 2013 to \$153.7 million compared to \$146.2 million on March 31, 2013. The increase in the portfolio is related to the normal cash flows of the 2nd quarter, as the first half of property taxes is received at the end of April and early May.



Diversification

The City's current investment portfolio is composed of Government Sponsored Enterprises (GSEs) bonds, US Agency bonds, State and Local Government bonds, the State Investment Pool, an overnight bank sweep account, a bank money market account and bank certificates of deposit. City investment procedures allow for 100% of the portfolio to be invested in U.S. Treasury or Federal Government obligations.

2013 ECONOMIC OUTLOOK and INVESTMENT STRATEGY

The outlook for growth in the U.S. economy is mostly unchanged from three months ago, according to 42 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The U.S. economy is expected to grow at an annual rate of 2.0 percent in 2013 and 2.8 percent in 2014. CPI inflation is expected to average 1.7 percent in 2013 and 2.2 percent in 2014. The unemployment rate is expected to average 7.6 percent in 2013 and fall to 7.1 percent in 2014. The Fed Funds rate, currently at 0.25%, is expected to remain at this level throughout 2013 and into 2015.

The portfolio duration has decreased as securities have matured and shorter term securities have been purchased. The focus on the next 2 quarters will be purchasing shorter term securities to continue reducing the duration during this period of rising interest rates. The opportunities for increasing portfolio returns are scarce as short term interest rates continue at historically low levels. During periods of low interest rates the portfolio duration should be kept shorter with greater liquidity so that the City is in a position to be able to purchase securities with higher returns when interest rates begin to rise. The State Pool is currently at 0.12% and will continue to remain low as the Fed Funds rate remains at 0.00 to 0.25 percent. Total estimated investment income for 2013 is \$780,000.

Investment Report *continued*

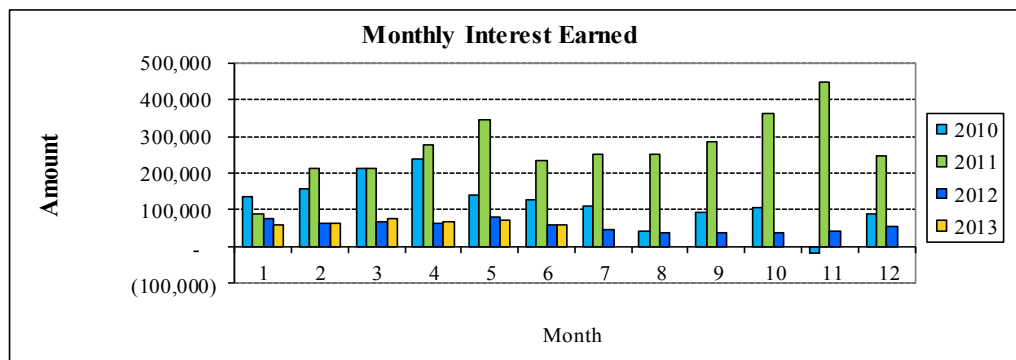
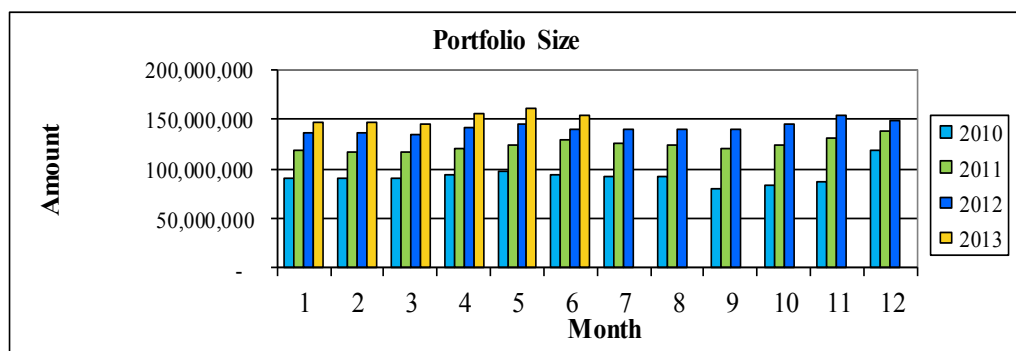
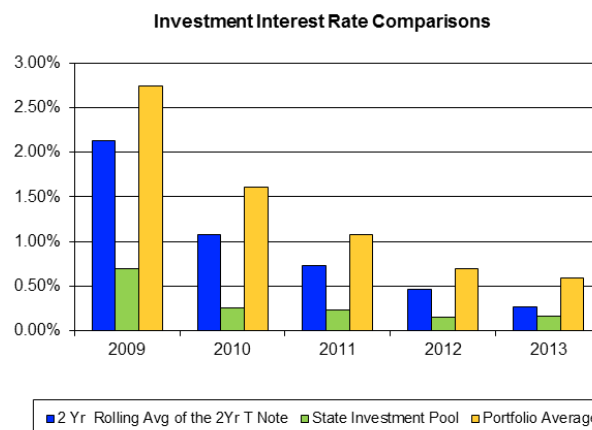
Liquidity

The target duration for the City's portfolio is based on the 2 year treasury. The average maturity of the City's investment portfolio decreased from 2.52 years on March 31, 2013 to 1.84 years on June 30, 2013 due to longer term securities maturing.

Yield

The City Portfolio yield to maturity decreased from 0.64 percent on March 31, 2013 to 0.52 percent on June 30, 2013. Through June 30, 2013, the City's annual average yield to maturity was 0.59 percent. The City's portfolio benchmark is the range between the 90 day Treasury Bill and the 2 year rolling average of the 2 year Treasury Note. This benchmark is used as it is reflective of the maturity guidelines required in the Investment Policy adopted by City Council. The City's portfolio outperformed both the 90 day T Bill and the 2 year rolling average of the 2 year Treasury Note, which was 0.27 percent on June 30, 2013.

The City's practice of investing further out on the yield curve than the State Investment Pool results in earnings higher than the State Pool during declining interest rates and lower earnings than the State Pool during periods of rising interest rates. This can be seen in the adjacent graph.



Reserves are an important indicator of the City's fiscal health and effectively represent "savings accounts" that are established to meet unforeseen budgetary needs (general purpose reserves) or are dedicated to a specific purpose. The reserves are listed with their revised estimated balances as of June 30, 2013.

Reserve Analysis

General Purpose Reserves

- The **Revenue Stabilization Reserve** was used almost in its entirety during the 2009-10 biennium as part of the budget balancing strategy to address the severe economic downturn, which allowed the City to mitigate some negative impacts to services. Contributions have been made to replenish the reserves since then and with planned contributions in 2013 and 2014, the reserve is expected to be at target by the end of 2014.
- The **Building and Property Reserve** has been identified as an available funding source for facility expansion and renovation projects and a significant portion is planned to be used during the current biennium, which will bring the reserve just slightly below target.
- The **General Capital Contingency Reserve** was used to fund project cost over-runs in the previous biennium, so replenishment from General Fund 2012 year-end cash is planned in 2013.

General Capital Reserves

- Real estate activity continues at a brisk rate in 2013 as illustrated by **Real Estate Excise Tax (REET)** collections at 44 percent ahead of the same period last year. Revenue in the first half of 2013 is already almost at budget, so the current budgeted ending balance is conservative and will be reviewed later in the year for potential adjustment. REET 2 reserves were used in 2012 to assist in the re-payment of the loan from the utilities for the purchase of the Cross Kirkland Corridor in 2011.
- High levels of development activity has increased **impact fees** significantly ahead of last year and are trending above budget. Transportation impact fees are 25 percent ahead of the same period last year and park impact fees are more than 145 percent ahead. There is minimal planned use of transportation impact fees for capital projects and no planned use of park impact fees for park capital projects in the current budget cycle except for paying debt service related to parks.

Reserves	Est. 2013 Beginning Balance	Adopted 2014 Ending Balance	Revised 2014 Ending Balance	2013-14 Target	Revised Over (Under) Target
GENERAL PURPOSE RESERVES WITH TARGETS					
General Fund Reserves:					
General Fund Contingency	50,000	50,000	50,000	50,000	0
General Oper. Reserve (Rainy Day)	2,806,513	2,806,513	2,806,513	4,219,482	(1,412,969)
Revenue Stabilization Reserve	1,231,431	2,468,068	2,468,068	2,468,068	0
Building & Property Reserve	2,137,598	571,579	571,579	600,000	(28,421)
Council Special Projects Reserve	250,000	178,372	171,372	250,000	(78,628)
Contingency	2,201,870	2,426,425	2,426,425	4,275,442	(1,849,017)
General Capital Contingency*	2,686,587	4,810,795	4,810,795	5,735,330	(924,535)
General Purpose Reserves with Targets	11,363,999	13,311,752	13,304,752	17,598,322	(4,293,570)
ALL OTHER RESERVES WITH TARGETS					
General Fund Reserves:					
Litigation Reserve	350,000	350,000	350,000	50,000	300,000
Firefighter's Pension Reserve*	1,746,298	1,484,958	1,484,958	1,568,207	(83,249)
Health Benefits Fund:					
Claims Reserve*	1,187,813	2,615,856	2,615,856	1,424,472	1,191,384
Rate Stabilization Reserve	1,000,000	1,000,000	1,000,000	500,000	500,000
Excise Tax Capital Improvement:					
REET 1*	3,477,948	4,507,512	4,210,481	1,071,000	3,139,481
REET 2*	2,284,826	2,319,112	2,037,067	2,225,500	(188,433)
Water/Sewer Operating Reserve:	2,414,471	2,414,471	2,414,471	1,979,380	435,091
Water/Sewer Debt Service Reserve:	488,200	498,591	498,591	508,717	(10,126)
Water/Sewer Capital Contingency:	1,107,600	1,107,600	1,107,600	250,000	857,600
Surface Water Operating Reserve:	706,364	706,364	706,364	412,875	293,489
Surface Water Capital Contingency:	816,480	816,480	816,480	758,400	58,080
Other Reserves with Targets	15,580,000	17,820,944	17,241,868	10,748,551	6,493,317
Reserves without Targets	35,751,424	35,847,270	35,526,027	n/a	n/a
Total Reserves	62,695,423	66,979,966	66,072,647	n/a	n/a

The target comparison reflects revised ending balances to the targets established in the budget process for those reserves with targets.

General Purpose reserves are funded from general revenue and may be used for any general government function.

All Other Reserves with Targets have restrictions for use either from the funding source or by Council-directed policy (such as the Litigation Reserve).

*Includes replenishments adopted in early April 2013 and adjustments to actual cash balances adopted in June.

The summary to the right details all Council authorized uses and additions through June 30, 2013.

USES AND ADDITIONS HIGHLIGHTS

RESERVE	AMOUNT	DESCRIPTION
2013-14 Council Authorized Uses		
2013 First Quarter Uses	\$302,000	
City Council Special Projects	\$7,000	2013 4th of July Fireworks
Real Estate Excise Tax 2 - Transp.	\$28,288	6th Street Sidewalk
Real Estate Excise Tax 2 - Transp.	\$15,000	98th Avenue Bridge Upgrade
Real Estate Excise Tax 1 - Gen. Govt.	\$259,031	Public Safety Building Alternate Bid Awards
Surface Water Construction	\$317,000	Decant Facility Grant Match
2013-14 Council Authorized Additions		
Surface Water Transportation Reserve	\$21,000	Central Way Pedestrian Enhancements

General Fund and Contingency reserves are funded from general purpose revenue and are governed by Council-adopted policies.

Special Purpose reserves reflect both restricted and dedicated revenue for specific purpose, as well as general revenue set aside for specific purposes.

General Capital Reserves provide the City the ability to respond to unexpected changes in costs and accumulate funds for future projects. It is funded from both general revenue and restricted revenue.

Utility reserves are funded from utility rates and provide the utilities with the ability to respond to unexpected costs and accumulate funds for future replacement projects.

Internal service funds are funded by charges to operating departments. They provide for the accumulation of funds for the replacement of equipment, as well as the ability to respond to unexpected costs.

Reserves	Description	Est. 2013 Beginning Balance	Adopted 2014 Ending Balance	Additional Authorized Uses/ Additions	Revised 2014 Ending Balance
GENERAL FUND/CONTINGENCY					
General Fund Reserves:					
General Fund Contingency	Unexpected General Fund expenditures	50,000	50,000	0	50,000
General Oper. Reserve (Rainy Day)	Unforeseen revenues/temporary events	2,806,513	2,806,513	0	2,806,513
Revenue Stabilization Reserve	Temporary revenue shortfalls	1,231,431	2,468,068	0	2,468,068
Building & Property Reserve	Property-related transactions	2,137,598	571,579	0	571,579
Council Special Projects Reserve	One-time special projects	250,000	178,372	(7,000)	171,372
Contingency	Unforeseen expenditures	2,201,870	2,426,425	0	2,426,425
Total General Fund/Contingency		8,677,412	8,509,957	(7,000)	8,493,957
SPECIAL PURPOSE RESERVES					
General Fund Reserves:					
Litigation Reserve	Outside counsel costs contingency	350,000	350,000	0	350,000
Labor Relations Reserve*	Labor negotiation costs contingency	65,348	65,348	0	65,348
Police Equipment Reserve*	Equipment funded from seized property	48,685	58,685	0	58,685
LEOFF 1 Police Reserve	Police long-term care benefits	618,079	618,079	0	618,079
Facilities Expansion Reserve	Special facilities expansions reserve	800,000	-	0	0
Development Services Reserve*	Revenue and staffing stabilization	1,004,194	1,187,020	0	1,187,020
Development Svcs. Technology Reserve	Permit system replacement	264,810	159,792	0	159,792
Tour Dock*	Dock repairs	138,892	171,392	0	171,392
Tree Ordinance*	Replacement trees program	29,717	29,717	0	29,717
Revolving/Donation Accounts*	Fees/Donations for specific purposes	451,090	537,890	0	537,890
Lodging Tax Fund*	Tourism program and facilities	240,991	221,951	0	221,951
Cemetery Improvement*	Cemetery improvements/debt service	662,614	712,174	0	712,174
Off-Street Parking	Downtown parking improvements	147,016	212,836	0	212,836
Firefighter's Pension*	Long-term care/pension benefits	1,746,298	1,484,958	0	1,484,958
Total Special Purpose Reserves		6,567,734	5,809,842	0	5,809,842
GENERAL CAPITAL RESERVES					
Excise Tax Capital Improvement:					
REET 1*	Parks/transportation/facilities projects, parks debt service	3,477,948	4,507,512	(297,031)	4,210,481
REET 2*	Transportation and other capital projects	2,284,826	2,319,112	(282,045)	2,037,067
Impact Fees					
Roads*	Transportation capacity projects	2,060,540	2,066,737	0	2,066,737
Parks*	Parks capacity projects	685,727	598,023	0	598,023
Street Improvement	Street improvements	995,958	995,958	0	995,958
General Capital Contingency*	Changes to General capital projects	2,686,587	4,810,795	0	4,810,795
Total General Capital Reserves		12,191,586	15,298,137	(579,076)	14,719,061
UTILITY RESERVES					
Water/Sewer Utility:					
Water/Sewer Operating Reserve	Operating contingency	2,414,471	2,414,471	0	2,414,471
Water/Sewer Debt Service Reserve*	Debt service reserve	488,200	498,591	0	498,591
Water/Sewer Capital Contingency	Changes to Water/Sewer capital projects	1,107,600	1,107,600	0	1,107,600
Water/Sewer Construction Reserve	Replacement/re-prioritized/new projects	9,093,871	8,228,606	0	8,228,606
Surface Water Utility:					
Surface Water Operating Reserve	Operating contingency	706,364	706,364	0	706,364
Surface Water Capital Contingency	Changes to Surface Water capital projects	816,480	816,480	0	816,480
Surface Water-Transp. Related Rsv	Replacement/re-prioritized/new projects	3,794,629	4,580,229	(4,243)	4,575,986
Surface Water Construction Reserve	Trans. related surface water projects	1,990,126	1,485,091	(317,000)	1,168,091
Total Utility Reserves		20,411,741	19,837,432	(321,243)	19,516,189
INTERNAL SERVICE FUND RESERVES					
Health Benefits:					
Claims Reserve*	Health benefits self insurance claims	1,187,813	2,615,856	0	2,615,856
Rate Stabilization Reserve	Rate stabilization	1,000,000	1,000,000	0	1,000,000
Equipment Rental:					
Vehicle Reserve*	Vehicle replacements	9,154,784	9,260,709	0	9,260,709
Radio Reserve	Radio replacements	7,686	7,686	0	7,686
Information Technology:					
PC Replacement Reserve*	PC equipment replacements	308,256	482,150	0	482,150
Technology Initiative Reserve	Technology projects	690,207	523,835	0	523,835
Major Systems Replacement Reserve	Major technology systems replacement	245,500	656,200	0	656,200
Facilities Maintenance:					
Operating Reserve	Unforeseen operating costs	550,000	550,000	0	550,000
Facilities Sinking Fund*	20-year facility life cycle costs	1,702,704	2,437,162	0	2,437,162
Total Internal Service Fund Reserves		14,846,950	17,533,598	0	17,533,598
Grand Total		62,695,423	66,979,966	(907,319)	66,072,647

*Includes replenishments adopted in early April 2013 and adjustments to actual cash balances adopted in June.



The Financial Management Report (FMR) is a high-level status report on the City's financial condition that is produced quarterly.

- It provides a **summary budget to actual and year over year comparisons** for year-to-date revenues and expenditures for all operating funds.
- The **Sales Tax Revenue Analysis** report takes a closer look at one of the City's larger and most economically sensitive revenue sources.
- **Economic environment** information provides a brief outlook at the key economic indicators for the Eastside and Kirkland such as office vacancies, residential housing prices/sales, development activity, inflation and unemployment.
- The **Investment Summary** report includes a brief market overview, a snapshot of the City's investment portfolio, and the City's year-to-date investment performance.
- The **Reserve Summary** report highlights the uses of and additions to the City's reserves in the current year as well as the projected ending reserve balance relative to each reserve's target amount.
- Tracey Dunlap, Director of Finance & Administration
- Michael Olson, Deputy Director of Finance & Administration
- Sri Krishnan, Financial Planning Manager
- Neil Kruse, Senior Financial Analyst
- Kyle Butler, Budget Analyst
- George Dugdale, Budget Analyst



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Economic Environment Update References:

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- Northwest Multiple Listing Service
- U.S. Bureau of Labor Statistics
- Washington State Employment Security Department
- Washington State Department of Revenue
- Washington State Department of Labor & Industries
- City of Kirkland Building Division
- City of Kirkland Finance & Administration Department